

## Stimulating Gender Equality: A GBA+ Approach to Economic Recovery

Canadian Women's Foundation, Canadian Centre for Policy Alternatives  
and Ontario NonProfit Network

### *Economic Impact of the Pandemic on Women*

The economic security of women in Canada has been disproportionately impacted by the COVID-19 pandemic to an extent that threatens equality gains. Months after the onset of the crisis, women's employment lags behind and their economic security remains fragile. More women are back at work or picking up additional hours, but the recovery is as unevenly distributed as the downturn. Economic losses have fallen heavily on women and most dramatically on women living on low incomes who experience intersecting inequalities based on race, class, disability, education, and migration and immigration status. Their return to work and their economic security faces numerous challenges as Canada moves into a recovery that, for many, is slow and sporadic.

- ***Struggling to recover from enormous scale of women's early job losses***

Women accounted for 63% of the 1 million jobs lost as of March, and 70% of losses by workers aged 25 to 54.<sup>1</sup> As construction and manufacturing shut down in April, a sharp increase in men's unemployment narrowed, but did not close the gender gap in employment loss. At the end of July, in all age groups, the recovery among men remained more advanced. Women had recouped roughly half of February-April employment losses (53.7%), and those aged 25-54 saw the largest gains. Women's job growth has been mostly in part-time work, regaining less than one-third of full-time job losses (31.0%) by July's end. A summer boost in part-time work in hard-hit industries such as retail and food services spurred employment among low wage women workers, but their rate of recovery<sup>2</sup> continues to be slower than that of higher paid employees, lagging behind by more than 15 percentage points (81.8% vs. 97.4%).<sup>3</sup>

- ***Disproportionate job loss, lagging recovery for mothers***

Of the 2.25 million mothers of children under the age of 12 who were employed in February, more than one-quarter— 615,000 mothers—had lost their jobs or most of their hours by April. Mothers accounted for 56.7% of parental job losses to the end of May and only 40.7% of May's employment gains. The age of their children appears to significantly impact mothers' return to employment. By mid-June, mothers of young adults aged 18 to 24 were 78% of the way back to their February working hours, but women whose youngest child was aged six to 12 had [recovered only 36% of their lost hours](#).<sup>4</sup> Employment gains have clearly been weaker among mothers with children under 16, pointing to the impact of school closures, uncertain access to childcare and unequal division of labour in the home.

Single-parent mothers were more likely than mothers in two-parent families to have experienced job loss or reduced hours: more than a third (37.6%) compared to just over one quarter (25.7%) respectively, February to April. In April, 202,000 single mothers were in the paid labour market, and another 122,000 were facing significant obstacles to employment, including access to childcare.<sup>5</sup> By June, single-parent mothers had recovered only 23% of their hours, and those with kids under the age of six had recouped only 19.6% of pandemic employment losses.

- ***Deepening systemic discrimination***

The pandemic has deepened and widened pre-existing systemic disparities. For Black, racialized and migrant workers - including women - unemployment is higher and return to work slower. Immigrant women represented one-quarter of all female workers over age 15 (26.1%) in February, but almost half of employment losses as of mid-July (45.0%). Women who are recent immigrants lost work quickly and deeply and are recovering it slowly. By April, 20% of recent immigrant women who had been employed in March were no longer employed, seven percentage points higher than among Canadian-born women, a result in part of their higher concentration in low-wage, short-tenured jobs. [New research](#) shows that they experienced a higher rate of transition to “non-employment” throughout the lockdown and a lower rate of transition to “employment” as of July.<sup>6</sup> Women workers identifying as South Asian (at 20.4%), Arab (at 20.3%), and Black (at 18.6%) all reported higher rates of unemployment than non-racialized workers (9.3%) in July.<sup>7</sup> Relatively narrow prior to COVID, the overall employment gap between racialized and non-racialized groups has grown to 92.1%.<sup>8</sup>

- ***Slow return to the labour market for women***

A large number of women left the labour force through the first months of the pandemic and many have yet to return. The number of women aged 25-54 who were outside the labour market increased by 425,000 or 34.1%, February to April. By July, this number was still in excess of 110,000 workers, only three-quarters (74.0%) of the way back to pre-pandemic employment levels.<sup>9</sup>

### **Pressures Pushing Women Out of the Workforce**

The lack of coherent plans to safely reopen childcares and schools creates significant barriers for mothers looking to re-enter the workforce. Social norms and traditional caregiving roles of women, which have contributed to gender gaps in pay, are now pushing mothers, rather than fathers, out of the labour market and into full-time caregiving and homeschooling. Given the gender pay gap, mothers leaving the work force may seem attractive to families struggling with lack of childcare and uncertain school arrangements but scaling back paid work significantly impacts the economic security of women and families.

### **A Gender-Inclusive Recovery for Canada**

Prior to the pandemic, women contributed significantly to GDP, earning 42% of household income and, on average, [responsible for almost half of household spending](#).<sup>10</sup> Decades of research confirms that gaps in women’s participation in paid work compound the gender wage gap over their lifetimes.<sup>11</sup> This is especially true for women from marginalized communities who face the highest barriers to employment and who are over-represented in low wage, precarious work. Women who are least likely to have the financial means to weather unemployment have taken the greatest hit in months of job losses and are experiencing the slowest return to work. This calls for attention to childcare services, reliable school re-opening, women-majority economic sectors with continuing high unemployment and flexible, responsive, accessible income supports with an intersectional gender lens.

- **Childcare**

Childcare in Canada is both fragile and essential to the economy, to workforces and to women and parents of all genders. Increasing federal investment in childcare to \$2 billion annually, through the Multilateral Framework and bilateral agreements, and binding provinces and

territories to fully invest transfer funds in inclusive, quality, affordable childcare can ensure women and parents of all genders return to work and stimulate a gender-equitable recovery.

- **Modernizing Employment Insurance**

The COVID-19 pandemic has accelerated the arrival of the future of work in which technology disrupts the number and quality of jobs and changes the skills needed to work. Women - especially racialized, immigrant and Indigenous women and women with disabilities, with lower labour market outcomes - are being left behind as the nature of work changes.<sup>12</sup> As virus outbreaks disrupt work and the economy, shutdowns of schools and childcare, and low demand in the service sector will create “on and off work” patterns for women. A modernized EI system can provide better support to women.

EI modernization recommendations have the goal of creating an adequate income “floor” for those being left behind. Combined with the three new benefits replacing the Canada Emergency Response Benefit, the newly announced temporary changes to EI begin to address this goal. Offered in the context of the new proposed changes to EI and emergency benefits, the additional changes to the EI program recommended below would enhance the capacity of EI to support women:

1. **Eliminate waiting periods/arrears method of payment for seamless transition between work and benefits.** This would allow women to transition seamlessly from work to benefits during periodic outbreaks without a break in income.
2. **Align the minimum EI benefit weekly rate (\$400) with the Canada Emergency Response Benefit, and the new Canada Caregiving Benefit and Canada Sickness Benefits (\$500).** A flat amount supports low-income workers better and redistributes purchasing power to those worst off. Aligning EI and the new benefits means workers are not “better off” under one system than the other.
3. **Adjust rules to facilitate access for workers with multiple jobs who lose one or some, but not all, jobs or significant hours of work (20% reduction as per EI worksharing).**<sup>13</sup>
4. **Invest in EI skills building and training benefits with a future of work and GBA+ lens to help women better prepare for a post-pandemic labour market.** The volume of people accessing EI during the pandemic and eligible for Part II training programs, provides a unique opportunity to begin training women for the future of work and reimagine how EI can promote gender equity in innovative ways.
5. **Make the new lower standard qualification threshold of 420 hours (or 15 weeks if less) permanent.**



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<sup>1</sup> Katherine Scott (2020), [Women bearing the brunt of economic losses](#), Behind the Numbers, Canadian Centre for Policy Alternatives.

<sup>2</sup> Rate of recovery refers to current level of employment as a proportion of February employment.

<sup>3</sup> Statistics Canada, [Table 14-10-0287-01](#). Not adjusted for seasonality.

<sup>4</sup> Mikal Skuterud (2020), <https://twitter.com/mikalskuterud/status/1281668862715539461?s=20>

<sup>5</sup> Statistics Canada (2020), "[Labour Force Survey, February](#)," *The Daily*; Statistics Canada (2020), "[Labour Force Survey, April](#)," *The Daily*.

<sup>6</sup> Feng Hou, Garnett Picot and Jue Zhang (2020), [Transitions into and out of employment by immigrants during the COVID-19 lockdown and recovery](#), StatCan COVID-19, Catalogue no. 45280001.

<sup>7</sup> Statistics Canada. Statistics Canada, Labour Force Survey Supplement, July 2020. Use the unemployment rate for Arab women with caution.

<sup>8</sup> Statistics Canada, [Table 14-10-0287-01](#). Not adjusted for seasonality.

<sup>9</sup> Statistics Canada, [Table 14-10-0287-01](#). Not adjusted for seasonality.

<sup>10</sup> Dawn Desjardins, Andrew Agopsowicz and Carrie Freestone (2020), [The fruits of her labour](#), RBC Economics.

<sup>11</sup> Organization for Economic Cooperation and Development (2017) [The Pursuit of Gender Equality: An uphill battle](#)

<sup>12</sup> Melissa Moyser [Women and Paid Work](#) (2017)

<sup>13</sup> See Laurell Ritchie, Armine Yalnizyan, Mary Gellatly, Colette Murphy and Nora Cole (2020), [Protecting workers and the economy: Principles for a new Employment Insurance System](#). Atkinson Foundation; Canadian Centre for Policy Alternatives (2020), [Alternative Federal Budget Recovery Plan](#).